

Message Text

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15

ORIGIN EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 OMB-01 NSC-10 SS-20 STR-08 CEA-02

DODE-00 PM-07 H-03 L-03 PA-04 PRS-01 USIA-15 ACDA-19

IO-14 IGA-02 /214 R

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EUR/SOV :RCOMBS (SUBS)

H : SANDERSON (SUBS)

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R 172145Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY MOSCOW

AMEMBASSY WARSAW

INFO ALL EUROPEAN DIPLOMATIC POSTS

AMCONSUL HONG KONG

USLO PEKING

AMEMBASSY TOKYO

XMT AMEMBASSY MOSCOW

AMEMBASSY WARSAW

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E.O. 11652 :N/A

TAGS :ETRD, XH, UR, CH

SUBJECT :TRADE BILL :PROPOSED CREDIT RESTRICTIONS

1. CONGRESSMAN VANIK ON OCTOBER 17 APPEARED BEFORE HOUSE
RULES COMMITTEE TO SEEK RULE ALLOWING CREDIT RESTRICTIONS
IN JACKSON-VANIK AMENDMENT TO BE ADDED TO TRADE BILL ON
HOUSE FLOOR. ALTHOUGH RULES COMMITTEE POSTPONED ACTION ON
THE TRADE BILL, AT CONCLUSION OF VANIK TESTIMONY SEVERAL
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COMMITTEE MEMBERS INDICATED THAT RULE PROPOSED BY VANIK

WOULD BE ACCEPTABLE TO ENTIRE COMMITTEE. HOUSE ACTION ON
TRADE BILL TENTATIVELY SCHEDULED FOR OCTOBER 30 AND 31.

2. VANIK AMENDMENT WOULD MAKE FOLLOWING UNDERLINED
CHANGES IN SECTION 402 OF TRADE BILL : BEGIN QUOTE. SEC. 402
FREEDOM OF EMIGRATION IN EAST-WEST TRADE. (A) TO ASSURE
THE CONTINUED DEDICATION OF THE UNITED STATES TO
FUNDAMENTAL HUMAN RIGHTS, AND NOTWITHSTANDING ANY OTHER
PROVISION OF LAW, ON OR AFTER THE DATE OF THE ENACTMENT OF
THIS ACT PRODUCTS FROM ANY NONMARKET ECONOMY COUNTRY SHALL
NOT BE ELIGIBLE TO RECEIVE NONDISCRIMINATORY TREATMENT
(MOST-FAVORED-NATION TREATMENT) (BEGIN UNDERLINE) SUCH
COUNTRY SHALL NOT PARTICIPATE IN ANY PROGRAM OF THE GOVERN-
MENT OF THE UNITED STATES WHICH EXTENDS CREDITS OR CREDIT
GUARANTEES OR INVESTMENT GUARANTEES, DIRECTLY OR INDIRECTLY
(END UNDERLINE) AND THE PRESIDENT OF THE UNITED STATES
SHALL NOT CONCLUDE ANY COMMERCIAL AGREEMENT WITH ANY SUCH
COUNTRY, DURING THE PERIOD BEGINNING WITH THE DATE ON WHICH
THE PRESIDENT DETERMINES THAT SUCH COUNTRY--

(1) DENIES ITS CITIZENS THE RIGHT OR OPPORTUNITY TO
EMIGRATE;

(2) IMPOSES MORE THAN A NOMINAL TAX ON EMIGRATION OR
ON THE VISAS OR OTHER DOCUMENTS REQUIRED FOR EMIGRATION,
FOR ANY PURPOSE OR CAUSE WHATSOEVER; OR

(3) IMPOSES MORE THAN A NOMINAL TAX, LEVY, FINE, FEE,
OR OTHER CHARGE ON ANY CITIZEN AS A CONSEQUENCE OF THE
DESIRE OF SUCH CITIZEN TO EMIGRATE TO THE COUNTRY OF HIS
CHOICE,

AND ENDING ON THE DATE ON WHICH THE PRESIDENT DETERMINES
THAT SUCH COUNTRY IS NO LONGER IN VIOLATION OF PARAGRAPH
(1), (2), OR (3).

(B) AFTER THE DATE OF THE ENACTMENT OF THIS ACT, (A)
PRODUCTS OF A NONMARKET ECONOMY COUNTRY MAY BE ELIGIBLE
TO RECEIVE NONDISCRIMINATORY TREATMENT (MOST-FAVORED-
NATION TREATMENT) (BEGIN UNDERLINE) (B) SUCH COUNTRY MAY
PARTICIPATE IN ANY PROGRAM OF THE GOVERNMENT OF THE UNITED
STATES WHICH EXTENDS CREDITS OR CREDIT GUARANTEES OR
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INVESTMENT GUARANTEES, AND (C). (END UNDERLINE) THE
PRESIDENT MAY CONCLUDE A COMMERCIAL AGREEMENT WITH SUCH
COUNTRY, ONLY AFTER THE PRESIDENT HAS SUBMITTED TO THE
CONGRESS A REPORT INDICATING THAT SUCH COUNTRY IS NOT IN
VIOLATION OF PARAGRAPH (1), (2), OR (3) OF SUBSECTION (A).
SUCH REPORT WITH RESPECT TO SUCH COUNTRY SHALL INCLUDE
INFORMATION AS TO THE NATURE AND IMPLEMENTATION OF
EMIGRATION LAWS AND POLICIES AND RESTRICTIONS OR

DISCRIMINATION APPLIED TO OR AGAINST PERSONS WISHING TO EMIGRATE. THE REPORT REQUIRED BY THIS SUBSECTION SHALL BE SUBMITTED INITIALLY AS PROVIDED HEREIN AND, WITH CURRENT INFORMATION, ON OR BEFORE EACH JUNE 30 AND DECEMBER 31 THEREAFTER SO LONG AS SUCH TREATMENT RECEIVED (BEGIN UNDERLINE) SUCH CREDITS OR GUARANTEES EXTENDED. (END UNDERLINE) OR SUCH AGREEMENT IS IN EFFECT.

(C) THIS SECTION SHALL NOT APPLY TO ANY COUNTRY THE PRODUCTS OF WHICH ARE ELIGIBLE FOR COLUMN 1 TARIFF TREATMENT ON THE DATE OF THE ENACTMENT OF THIS ACT. END QUOTE.

3. OFFICIAL OF POLISH EMBASSY HAS EXPRESSED CONCERN THAT VANIK CREDIT RESTRICTIONS WOULD CUT OFF FUTURE CREDITS TO POLAND. IT SHOULD BE NOTED THAT "GRANDFATHER CLAUSE" IN SECTION 402(C) WOULD MAKE ENTIRE SECTION NOT RPT NOT APPLICABLE TO POLAND. KISSINGER

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TAGS: ETRD, XH, UR, CH
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